

**ASSEMBLY BILL**

**No. 1879**

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**Introduced by Assembly Member Beall**

February 16, 2010

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An act to add Section 737.1 to the Public Utilities Code, relating to utility charges.

LEGISLATIVE COUNSEL'S DIGEST

AB 1879, as introduced, Beall. Electrical and gas corporations: collection of charges.

The California Constitution establishes the Public Utilities Commission, with jurisdiction over all public utilities, including electrical corporations and gas corporations, as respectively defined. Existing law authorizes the commission to fix the rates and charges for every public utility, and requires that those rates and charges be just and reasonable. Existing law, the Public Utilities Act, requires that when a public utility seeks recovery in a court for the collection of lawful tariff charges, the complaint must be filed within 3 years, which may be extended 6 months if the public utility presents its claim or demand in writing to the person from whom the tariff charges are alleged to be due within that 3-year statute of limitations period.

This bill would prohibit an electrical corporation or gas corporation from billing a residential customer or small commercial customer, as defined, for charges that were unbilled or undercharged for a period exceeding 3 months, if the previous mistake in billing is the result of a meter error or billing error. The bill would additionally require that the risk of undercollection of lawful tariff charges by an electrical corporation or gas corporation that results from the above-described

3-month backbilling limitation, is borne by the shareholders of the utility.

Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the commission is a crime.

Because the prohibition on backbilling would be a part of the act and because a violation of an order or decision of the commission implementing its requirements would be a crime, the bill would impose a state-mandated local program by creating a new crime.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 737.1 is added to the Public Utilities  
2 Code, to read:

3 737.1. (a) An electrical corporation or gas corporation shall  
4 not bill a residential customer or small commercial customer, as  
5 defined in Section 311, for charges that were unbilled or  
6 undercharged for a period exceeding three months, if the previous  
7 mistake in billing is the result of a meter error or billing error.

8 (b) The commission shall ensure that the risk of undercollection  
9 of lawful tariff charges by an electrical corporation or gas  
10 corporation as a result of the three-month backbilling limitation  
11 of subdivision (a), is borne by the shareholders of the utility.

12 SEC. 2. In implementing Section 1, the Public Utilities  
13 Commission shall extend to small commercial customers, as  
14 defined in Section 311 of the Public Utilities Code, the same  
15 protections from billing errors that are applicable to residential  
16 customers as a result of Decision 86-06-035 and Resolution  
17 G-3372, as modified by Decision 05-09-046.

18 SEC. 3. No reimbursement is required by this act pursuant to  
19 Section 6 of Article XIII B of the California Constitution because  
20 the only costs that may be incurred by a local agency or school  
21 district will be incurred because this act creates a new crime or

1   infraction, eliminates a crime or infraction, or changes the penalty  
2   for a crime or infraction, within the meaning of Section 17556 of  
3   the Government Code, or changes the definition of a crime within  
4   the meaning of Section 6 of Article XIII B of the California  
5   Constitution.

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